

SENATE BILL REPORT

SB 6140

As Passed Senate, February 9, 2000

Title: An act relating to references in instruments to section 2033A of the internal revenue code.

Brief Description: Updating probate and trust laws.

Sponsors: Senators Johnson, Heavey and Gardner.

Brief History:

Committee Activity: Judiciary: 1/12/2000, 1/19/2000 [DP].
Passed Senate, 2/9/2000, 46-0.

SENATE COMMITTEE ON JUDICIARY

Majority Report: Do pass.

Signed by Senators Heavey, Chair; Kline, Vice Chair; Costa, Goings, Hargrove, Haugen, Johnson, Long, McCaslin, Roach, Thibaudeau and Zarelli.

Staff: Karen Lundahl (786-7421)

Background: In 1998 Congress restructured the Internal Revenue Code and relocated some sections of the code, including an exclusion of up to \$675,000 of the value of a qualified family-owned business from the value of an estate for purposes of federal estate tax. The Washington probate code contains several references to this section of the Internal Revenue Code, as do many existing wills, trusts and other documents subject to the probate code. The Washington State Bar Association recommends a minor revision of the probate code to remove confusion.

Summary of Bill: Any references in wills, trusts or other documents governed by the probate code to a prior section of the Internal Revenue Code providing an exclusion of the value of a family-owned business from the value of an estate subject to estate tax are deemed to refer to the comparable provision of the restructured Internal Revenue Code. This applies retroactively to anyone dying after December 31, 1997.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This is a necessary technical change to bring Washington probate and trust laws in line with restructured Internal Revenue Code.

Testimony Against: None.

Testified: Alan Montgomery, Washington State Bar Association (pro).